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**Accumulated Sick Leave  
Conversion Credit Programs**

**Annual Actuarial Valuations**

**DECEMBER 31, 2001**

**Presented to the Wisconsin Department  
of Employee Trust Funds**

**GABRIEL, ROEDER, SMITH & COMPANY**

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June 6, 2002

Employee Trust Funds Board  
Wisconsin Retirement System  
801 West Badger Road  
Madison, Wisconsin 55713-2526

Ladies and Gentlemen:

The results of the **Annual Actuarial Valuation** of benefit liabilities and costs of non-retired participants of the Accumulated Sick Leave Conversion Credit Programs are presented in this report.

The date of the valuation was **December 31, 2001**.

The valuation was based upon data, furnished by the Department of Employee Trust Funds, concerning retired and non-retired participants and pertinent financial information.

The valuation was completed in accordance with standards of practice prescribed by the Actuarial Standards Board and in conformance with Chapter 40 of the Wisconsin Statutes. To the best of our knowledge this report is complete and accurate, and the actuarial methods and assumptions produced results which are reasonable.

Respectfully submitted,

GABRIEL, ROEDER, SMITH & COMPANY

Norman L. Jones, F.S.A.    Brian B. Murphy, F.S.A.

RGS/lr

- **Combined Results and Discussion**

# ASLCC PROGRAM

## BASE PLUS SUPPLEMENTAL

### COMPUTED TOTAL EMPLOYER CONTRIBUTION RATES

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The financial objectives of the ASLCC Program are to establish and receive contributions to support benefits that will remain approximately level from year to year. Combined program valuation results since 1995 are presented below.

<b>Valuation</b>				<b>UAAL*</b>
<b>Date</b>				<b>Amortization</b>
<b>December 31</b>	<b>Base</b>	<b>Supplemental</b>	<b>Total</b>	<b>Years</b>
1995	1.9%	1.1%	3.0%	29
1996	1.8%	1.1%	2.9%	28
1997@#	1.8%	0.9%	2.7%	27
1998	1.9%	0.8%	2.7%	20
1999	1.8%	0.9%	2.7%	25
2000@	1.7%	1.0%	2.7%	24
2001	1.7%	1.1%	2.8%	24

\* *Unfunded actuarial accrued liabilities*

@ *Assumption change.*

# *Benefit change.*

The 2003 contribution rate increased to 2.8% of covered payroll. In fact, if the UAAL had been amortized over a period of 23 years, which would be the natural progression from last year's 24 year period, the combined contribution rate would have been 2.9% of covered payroll. The rate increase was partly due to experience that was less favorable than assumed, and partly due to benefit changes, including Act 16 of 2001, which increased the opportunity for retirees to escrow their sick leave balances. This valuation was the first in which the liability associated with escrowed sick leave accounts was large enough to affect the contribution rates.

The Board's present policy is to vary the amortization period within a 15 to 30 year period as needed to stabilize the contribution rate. While this is a reasonable policy, its use is predicated upon the presumption that funding will proceed in an orderly manner, i.e., contributions will continue to be made regularly in accordance with valuation results, and that gains and losses will tend to be small and offsetting from year to year. If one or both of these elements were missing, an alternate policy going forward would be more consistent with sound actuarial funding. Given the present volatility in the investment markets, we suggest that an alternate funding policy be considered. One alternate policy would be to close the amortization period, and to develop a fixed funding horizon of December 31, 2026, corresponding to 24 years from January 1, 2003. While this change would have little if any short-term effect on contribution rates, it could lead to a better assignment of costs between generations of taxpayers. We recommend that the Board review the current situation and revisit its decision regarding funding policy.

**ASLCC PROGRAM  
SUMMARY OF PARTICIPANT DATA  
DECEMBER 31, 2001**

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**Active Participants**

	<b>State Employees (Non-University)</b>	<b>University</b>	<b>University Hospital</b>	<b>Total</b>
Number	33,286	26,919	4,305	64,510
Annual Payroll	\$1,436,396,951	\$1,368,554,214	\$175,599,350	\$ 2,980,550,515
Accrued Unused Sick Days	2,596,606 days	2,438,772 days	180,551 days	5,215,929 days
Averages: Age	43.9 years	46.0 years	40.5 years	44.5 years
Service	12.3 years	11.8 years	8.6 years	11.8 years
Sick Leave Days	78.0 days	90.6 days	41.9 days	80.9 days

**Retirees & Beneficiaries**

	<b>Rate Category</b>		
	<b>Without Medicare</b>	<b>With Medicare</b>	<b>Total</b>
Number*	3,466	5,402	8,868
Monthly Premiums			
Total	\$2,429,343	\$2,615,969	\$5,045,312
Average	\$700.91	\$484.26	
Prior Year Average	<b>\$590.42</b>	<b>\$422.58</b>	

\* Number count does not include 2,284 escrowed annuitants.

- **Base Plan Results**

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**SECTION 40.05(4)(B)**  
**ACCUMULATED SICK LEAVE CONVERSION CREDIT PROGRAM**  
**SUMMARY OF ACCUMULATION AND PAYMENT CONDITIONS**

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**Accumulation.** For most participants, sick leave has historically accrued at the rate of 4 hours every two weeks to a maximum of 13 days a year. The potential accrual rate was increased to 5 hours per pay period in 1998, which corresponds to 16.25 days per year. Unused portions accumulate from year to year and are converted at retirement as indicated below. The average annual sick leave balance of Wisconsin state employees (other than University employees) in 2001 was 78 days. Based upon an average of 12.3 years of service, this would correspond to an average annual addition of 6.4 days per year to sick leave accounts for past years. For University and University Hospital employees, the average balance was 83.9 days. Based upon an average of 11.4 years of service, this would correspond to an average annual addition of 7.4 days per year to the sick leave accounts for past years. In the future, average annual additions are assumed to be higher because potential sick leave accrual rates have been increased. For purposes of estimating sick leave balances at retirement, each individual was assumed to continue using sick leave at the same rate as in the past but not less than 25% nor more than 75% of the person's annual accrual rate (usually 16.25 days).

**Eligibility For Payment of Accrued Sick Leave.** Termination of employment with eligibility for an immediate annuity from the Wisconsin Retirement System. State elected officials and certain state administrative officials terminating before their minimum service retirement age retain eligibility for benefits at their minimum service retirement age providing they do not elect a WRS separation benefit.

**Amount of Payment for Unused Sick Leave.** A conversion credit is computed at the time of retirement or death by multiplying the number of days of unused sick leave by the current basic pay rate. The conversion credit is then used to cover the cost of health insurance premiums for the employee and eligible dependents. Unused portions are carried forward from year to year without interest and when total health insurance premiums paid on behalf of the retired employee equal or exceed the conversion credit, no further payments are made under the ASLCC program. Payments from the sick leave account may be escrowed indefinitely after retirement for participants who provide evidence of comparable health insurance coverage from another source.

**40.05(4)(B) - BASE ASLCC PROGRAM**  
**DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES**  
**DECEMBER 31, 2001**

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	(1)	(2)	(3)
		Portion	Actuarial
	Total	Covered By	Accrued
	Present	Future Normal	Liabilities
Actuarial Present Value	Value	Cost Contributions	(1)-(2)
Future Amount to be paid on behalf of present retirants and beneficiaries	\$ 221,662,048	\$ 0	\$221,662,048
Future Amount to be paid on behalf of future retirees and beneficiaries	977,958,357	369,208,436	608,749,921
Total	\$1,199,620,405	\$369,208,436	\$830,411,969
Assets			611,660,340
Unfunded Actuarial Accrued Liabilities			\$218,751,629



**40.05(4)(B) - BASE ASLCC PROGRAM  
COMPUTED EMPLOYER CONTRIBUTIONS  
DECEMBER 31, 2001**

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	<b>Computed Employer Contribution Rate</b>
<b>Contributions for</b>	<b>as a % of Covered Payroll</b>
Normal Cost	1.3%
UAAL*	0.4%
<b>Total</b>	<b>1.7%</b>

\* *Unfunded actuarial accrued liabilities of \$218.7 million were amortized over 24 years.*

**Discussion:**

The financial objective of the ASLCC program is to establish and receive contributions to support benefits that will remain approximately level from year to year. Contributions to the program are 1.7% of covered payroll in 2002. By statute, they had originally been scheduled to increase by 0.2% each year until the ETF Board, based upon valuation results, determined that the level contribution rate objective was being met.



**40.05(4)(B) - BASE ASLCC PROGRAM**  
**COMPARATIVE STATEMENT OF RESULTS**

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Valuation Date		Covered Payroll	Average			\$ Millions			Computed Employer Rate
					Accr. Sick	Accrued Liabilities	Assets	UAAL	
December 31	No. Active	\$ Millions	Age	Service	Days				
1987	48,127	\$1,319.9	43.1	11.0	80.6	\$375.2	\$20.2	\$355.0	2.3%
1988@	48,292	1,412.7	43.4	11.2	81.3	426.3	34.4	391.9	2.4%
1989	48,247	1,434.5	43.4	12.2	80.7	433.5	50.0	383.5	2.1%
1990	49,983	1,624.3	43.5	12.1	80.8	451.3	73.9	377.4	2.1%
1991@	54,675	1,810.4	43.4	11.8	78.0	500.3	92.4	407.9	2.1%
1992	57,577	1,932.4	43.0	11.3	74.7	509.0	121.6	387.4	2.1%
1993	58,299	2,021.8	43.3	11.6	76.0	520.8	156.4	364.4	2.1%
1994@	58,971	2,136.9	43.6	11.8	77.0	567.1	186.7	380.4	1.9%
1995	57,941	2,151.9	44.2	12.5	80.3	606.9	236.8	370.1	1.9%
1996	57,920	2,184.3	44.2	12.3	79.4	637.6	283.2	354.4	1.8%
1997@#	58,872	2,260.8	44.3	12.3	79.5	589.0	337.2	251.8	1.8%
1998	60,502	2,415.5	44.4	12.2	79.9	634.8	392.9	241.9	1.9%
1999	62,158	2,521.6	44.6	12.2	81.0	717.0	457.0	260.0	1.8%
2000@	63,008	2,753.3	44.6	12.0	80.6	729.8	515.6	214.2	1.7%
2001	64,510	2,980.6	44.5	11.8	80.9	830.4	611.7	218.7	1.7%

@ Assumption change.

# Benefit change.

- **Supplemental Plan Results**

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**ACCUMULATED SICK LEAVE CONVERSION CREDIT PROGRAM**  
**SUPPLEMENTAL PLAN**  
**DECEMBER 31, 2001**

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This supplemental plan provides matching credits for participants retiring with 15 or more years of state service as follows:

- Protective: Match up to 78 hours (9.75 days) per full year of service through 24 years, plus 104 hours (13 days) per full year of service over 24 years.
- Others: Match up to 52 hours (6.5 days) per full year of service through 24 years, plus up to 104 hours (13 days) per full year of service over 24 years.

The results below are for the supplemental program only. (The results on page 5 are for the ASLCC base program only.) The supplemental plan accrued liabilities are offset by supplemental plan assets which are accounted for separately by DETF. The contribution rate sufficient to amortize the UAAL over a period of 24 years (the same period as in the base program) is 1.1% of covered payroll as shown below.

<b>Contributions for</b>	<b>Computed Employer Contribution Rate As a % of Covered Payroll</b>
Normal Cost	0.6%
UAAL*	0.5%
<b>Total</b>	<b>1.1%</b>

\* *Unfunded actuarial accrued liabilities of \$245.0 million were amortized over 24 years.*

The contribution rate shown above was developed based upon the active participant data as shown on page 2. This is the same data that was used in the development of the base plan rates.

**40.05(4)(B) – SUPPLEMENTAL ASLCC PROGRAM**  
**DEVELOPMENT OF UNFUNDED ACTUARIAL ACCRUED LIABILITIES**  
**DECEMBER 31, 2001**

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	(1)	(2)	(3)
		Portion	Actuarial
	Total	Covered By	Accrued
	Present	Future Normal	Liabilities
<b>Actuarial Present Value</b>	<b>Value</b>	<b>Cost Contributions</b>	<b>(1)-(2)</b>
Future Amount to be paid on behalf of present retirants and beneficiaries	\$ 103,907,718	\$ 0	\$103,907,718
Future Amount to be paid on behalf of future retirees and beneficiaries	377,546,242	103,099,209	274,447,033
Total	\$481,453,960	\$103,099,209	\$378,354,751
Assets			133,374,517
Unfunded Actuarial Accrued Liabilities			\$244,980,234



# ASLCC SUPPLEMENTAL PLAN COMPARATIVE STATEMENT OF RESULTS

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			Average						
Valuation		Covered			Accr.	\$ Millions			Computed
Date		Payroll			Sick	Accrued			Employer
December 31	No. Active	\$ Millions	Age	Service	Days	Liabilities	Assets	UAAL	Rate
1995	57,941	\$2,151.9	44.2	12.5	80.3	\$268.8	\$ 0.0	\$268.8	1.1%
1996	57,920	\$2,184.3	44.2	12.3	79.4	273.3	0.1	273.2	1.1%
1997@#	58,872	\$2,260.8	44.3	12.3	79.5	168.2	13.7	154.5	0.9%
1998	60,502	\$2,415.5	44.4	12.2	79.9	180.8	41.2	139.6	0.8%
1999	62,158	\$2,521.6	44.6	12.2	81.0	212.5	69.4	143.1	0.9%
2000@	63,008	\$2,753.3	44.6	12.0	80.6	309.9	97.3	212.6	1.0%
2001	64,510	\$2,980.6	44.5	11.8	80.9	378.4	133.4	245.0	1.1%

@ Assumption change.

# Benefit change.

For the 2000 and subsequent valuations, retiree liabilities were separately calculated for the supplemental plan. For 1999 and prior, those liabilities were reported as base plan liabilities.



- **Actuarial Methods and Assumptions**

## ACTUARIAL VALUATION METHOD

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The actuarial funding method used in the ASLCC valuation is the **Entry Age Normal Cost Method**. Under this method, actuarial gains or losses arising from differences between actual and assumed experience are reflected in the determination of the unfunded actuarial accrued liability.

For each person included in the valuation, the Present Value of Future Benefits is determined by projecting the sick leave balance to retirement based upon an estimate of the individual's historical sick leave utilization and the total Sick Leave Accrual rate applicable to the person. The Entry Age Normal Cost (EANC) is determined in a similar manner except that for purposes of EANC only, each non-retired individual is assumed to have average utilization of Sick Leave. The Actuarial Accrued Liability is the difference between the Present Value of Future Benefits and the Present Value of Future Entry Age Normal Costs.

## ACTUARIAL METHOD AND ASSUMPTIONS USED IN VALUATIONS

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The principal areas of risk assumption are:

- long-term *rates of investment return* likely to be generated by system assets
- *rates of mortality* among participants, retirees and beneficiaries
- *rates of withdrawal* of active participants
- *rates of disability* among participants
- *patterns of salary increases* to be experienced by participants
- the age and service *distribution of actual retirements*
- future *rates of sick leave usage* by plan participants.

In an actuarial valuation, the actuary projects the monetary effect of each risk assumption for each distinct experience group, for the next year and for each year over the next half-century or longer.

Once actual risk experience has occurred and been observed, it will not coincide exactly with assumed risk experience, regardless of the skill of the actuary, the completeness of the data, and the precision of the calculations. Each valuation provides a complete recalculation of assumed future risk experience and takes into account all past differences between assumed and actual risk experience. The result is a continual series of small adjustments to the computed contribution rate. From time to time it becomes necessary to adjust the package of risk measurements to reflect basic experience trends -- but not random year to year fluctuations.

**SUMMARY OF ASSUMPTIONS  
USED FOR ANNUAL ACTUARIAL VALUATIONS  
ASSUMPTIONS ADOPTED BY ETF BOARD AFTER  
CONSULTING WITH ACTUARY**

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**ECONOMIC ASSUMPTIONS**

The long-term rates of investment return used in making the valuation was 8.0% a year, compounded yearly.

Salary adjustment factors used to project earnings for each participant between the valuation date and the participant's retirement age are shown below for sample ages. This assumption is used to project a participant's current earnings to the earnings upon which benefits will be based.

% Merit and Longvity Increase Next Year					
Age	Gen.	Teachers	Protective		Exec. & Elec.
			With S.S.	w/o S.S.	
20	5.6 %	6.0 %	4.2 %	5.0 %	5.0 %
25	5.6 %	5.8 %	4.2 %	4.2 %	4.2 %
30	4.3 %	4.2 %	3.8 %	2.8 %	2.8 %
35	3.1 %	3.1 %	2.6 %	1.4 %	1.4 %
40	2.2 %	2.2 %	1.2 %	0.8 %	0.8 %
45	1.5 %	1.5 %	0.5 %	0.5 %	0.5 %
50	1.0 %	1.0 %	0.3 %	0.3 %	0.3 %
55	0.4 %	0.4 %	0.1 %	0.1 %	0.1 %
60	0.3 %	0.3 %	0.1 %	0.1 %	0.1 %
65	0.3 %	0.3 %	0.1 %	0.1 %	0.1 %

If the number of active participants remains constant, then the total active participant payroll will increase 4.5% a year, the base portion of the individual salary increase assumptions. This increasing payroll was recognized in amortizing unfunded actuarial accrued liabilities.

## DECREMENT PROBABILITIES

The **mortality table** used to measure mortality for retired participants was the Wisconsin Projected Experience Table - 96 for men and women. Sample retirement values from this table are shown below. This assumption is used to measure the probabilities of participants dying before retirement and the probabilities of each benefit payment being made after retirement.

### SINGLE LIFE RETIREMENT VALUES WISCONSIN PROJECTED EXPERIENCE TABLE – 96 WITH 5% INTEREST

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Sample Attained Ages	Future Life	
	Expectancy (years)	
	Males	Females
40	39.7	45.1
45	34.9	40.3
50	30.2	35.4
55	25.7	30.7
60	21.4	26.1
65	17.3	21.6
70	13.5	17.3
75	10.3	13.4
80	7.6	10.1
85	5.5	7.3

For disability retirements, basing mortality on an age 12 years older than the actual age recognizes impaired longevity.

## ACTIVE PARTICIPANT MORTALITY RATES

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Sample Attained Ages	Mortality Rates	
	Males	Females
20	0.000145	0.000085
25	0.000179	0.000113
30	0.000234	0.000153
35	0.000324	0.000212
40	0.000472	0.000305
45	0.000844	0.000454
50	0.001526	0.000699
55	0.002460	0.001057
60	0.003788	0.001782
65	0.006433	0.003126
70	0.011998	0.005513
75	0.020418	0.011278
80	0.035773	0.020671

This assumption is used to measure the probability of participants dying while in service.

# RATES OF RETIREMENT FOR THOSE ELIGIBLE TO RETIRE

## Normal Retirement Pattern

Age	General		Public School		University		Protective*		Exec. &
	Male	Female	Male	Female	Male	Female	With S.S.	W/O S.S.	Elected
50							5%	2%	
51							5%	2%	
52							5%	4%	
53							31%	34%	
54							27%	36%	
55							27%	39%	
56							27%	42%	
57	25%	27%	30%	25%	20%	25%	27%	38%	8%
58	25%	27%	30%	22%	16%	15%	27%	37%	8%
59	25%	27%	30%	22%	15%	25%	27%	33%	12%
60	25%	28%	30%	25%	16%	17%	31%	31%	14%
61	28%	34%	30%	23%	18%	19%	26%	40%	20%
62	47%	50%	45%	36%	25%	32%	47%	40%	15%
63	45%	50%	45%	25%	22%	26%	38%	40%	15%
64	45%	50%	45%	40%	23%	37%	31%	40%	15%
65	45%	50%	55%	40%	25%	33%	34%	40%	20%
66	32%	39%	50%	31%	25%	32%	50%	40%	20%
67	29%	30%	40%	20%	25%	24%	50%	40%	20%
68	24%	25%	40%	20%	25%	26%	50%	40%	20%
69	22%	20%	40%	20%	25%	20%	50%	40%	20%
70	12%	20%	40%	20%	25%	20%	100%	100%	20%
71	12%	20%	40%	20%	25%	20%	100%	100%	20%
72	12%	20%	40%	20%	25%	20%	100%	100%	20%
73	12%	20%	40%	20%	25%	20%	100%	100%	20%
74	12%	20%	40%	20%	25%	20%	100%	100%	20%
75	100%	100%	100%	100%	100%	100%	100%	100%	100%

\* Includes early retirements.

## Early Retirement Pattern

	% Retiring Next Year						
	General		Public School		University		Exec. &
Age	Male	Female	Male	Female	Male	Female	Elected
55	7%	6%	13%	11%	5%	7.5%	6%
56	5%	6%	10%	7%	5%	7.5%	6%
57	4%	6%	6%	8%	5%	7.5%	6%
58	4%	6%	8%	9%	5%	7.5%	6%
59	4%	7%	9%	10%	5%	7.5%	6%
60	6%	9%	10%	13%	5%	7.5%	6%
61	9%	11%	15%	14%	5%	7.5%	6%
62	20%	20%	15%	20%	5%	7.5%	
63	20%	20%	15%	20%	5%	7.5%	
64	20%	20%	15%	20%	5%	7.5%	

**The assumed rates of separation** from employment prior to service retirement due to disability and other causes are shown below for sample ages. For other terminations it was assumed that a percentage depending on age of participants terminating after age 35 with 5 or more years service will leave their contributions on deposit and be paid a benefit at normal retirement age and that the remaining participants would take a separation benefit. The percentage is 100% at age 35, grading downward to 0% at retirement eligibility. These assumptions are used to measure the probabilities of participants remaining in employment and the probabilities of being paid a disability or other termination benefits.

### ASSUMED TERMINATION RATES BY ATTAINED AGE AND YEARS OF SERVICE

Age &	Service	% of Active Participants Terminating								
		Protective								
		With	Without							
		Soc.	Soc.	Public Schools		University		Exec. &	Other	
		Sec.	Sec.	Males	Females	Males	Females	Elected	Males	Females
	0	11.7%	4.9%	10.1%	10.0%	18.0%	18.9%	7.5%	17.6%	16.9%
	1	6.4%	2.5%	7.0%	7.0%	15.0%	16.2%	7.0%	10.6%	11.1%
	2	5.1%	2.4%	5.3%	6.0%	13.0%	14.9%	6.5%	7.9%	8.7%
	3	3.6%	2.3%	3.8%	5.4%	11.0%	12.8%	6.0%	6.8%	7.1%
	4	3.0%	2.2%	3.5%	4.0%	10.0%	10.5%	5.5%	6.0%	6.0%
25	5 & Over	2.1%	1.0%	3.5%	4.0%	10.0%	10.5%	5.0%	6.0%	6.0%
30		1.7%	1.0%	2.7%	3.5%	10.0%	10.5%	4.8%	4.6%	5.8%
35		1.2%	0.7%	1.5%	2.3%	9.0%	8.3%	4.6%	3.1%	4.5%
40		1.1%	0.7%	1.2%	1.5%	5.0%	5.3%	4.0%	2.1%	3.2%
45		1.1%	0.7%	1.0%	1.2%	3.3%	3.8%	3.2%	1.8%	2.9%
50		1.0%	0.7%	0.9%	1.2%	2.0%	2.9%	2.4%	1.5%	2.5%
55		1.0%	0.7%	0.9%	1.2%	1.0%	2.0%	2.0%	1.5%	1.8%
60		1.0%	0.7%	0.9%	1.2%	0.7%	2.0%	2.0%	1.5%	0.6%

### DISABILITY RATES

Age	% of Active Participants Becoming Disabled									
	Protective		Public Schools		University		Exec. & Elected		Other	
	With SS	W/O SS	Males	Females	Males	Females	Males	Females	Males	Females
20	0.01%	0.04%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
25	0.01%	0.04%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%
30	0.01%	0.05%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.01%	0.04%
35	0.04%	0.06%	0.01%	0.01%	0.01%	0.05%	0.02%	0.02%	0.02%	0.05%
40	0.06%	0.11%	0.02%	0.02%	0.02%	0.08%	0.02%	0.02%	0.06%	0.07%
45	0.11%	0.19%	0.05%	0.07%	0.04%	0.07%	0.04%	0.04%	0.11%	0.10%
50	0.38%	0.59%	0.14%	0.13%	0.07%	0.13%	0.08%	0.08%	0.25%	0.16%
55	1.25%	0.65%	0.26%	0.19%	0.21%	0.20%	0.30%	0.30%	0.48%	0.29%
60	0.85%	0.50%	0.43%	0.28%	0.28%	0.30%	0.37%	0.37%	0.85%	0.41%



June 6, 2002

Ms. Julie Reneau  
Wisconsin Department of Employee Trust Funds  
801 West Badger Road  
Madison, Wisconsin 53713

Re: Accumulated Sick Leave Conversion Credit Programs

Dear Julie:

Enclosed are 75 bound copies and one unbound copy of the report of the December 31, 2001 annual actuarial valuations of the ASLCC Programs.

Sincerely,

Brian B. Murphy

BBM/lr

Enclosures